

63J-6-101. Title.

This chapter is known as the "Tax Anticipation Notes Act."

Enacted by Chapter 382, 2008 General Session

63J-6-201. Borrowing authorized -- Limitation -- Issuance of notes -- Maximum term.

The state treasurer may borrow money for the state in anticipation of (a) income or revenue from taxes, whether the taxes are specific, ad valorem, excise, sales, income, franchise, or fees for the current fiscal year, or that portion of the taxes not collected or previously anticipated at the time of borrowing, and (b) other non-tax revenues of the state, in a principal sum not greater than 75% of such income or revenue which the director of the Division of Finance certifies to the state treasurer are to be reasonably anticipated to be collected during the current fiscal year. Each loan shall be evidenced by the issuance and sale of tax and revenue anticipation notes of the state, for fixed periods not to exceed 12 months or the end of the current fiscal year, whichever is sooner.

Renumbered and Amended by Chapter 382, 2008 General Session

63J-6-202. Issuance -- Financing plan required -- Contents -- Order setting terms of notes -- Recitations in notes -- Report of sales -- Disposition of proceeds.

(1) If the state treasurer considers it to be in the best interests of the state to issue tax and revenue anticipation notes under Section 63J-6-201, the state treasurer shall issue the notes in accordance with this chapter.

(2) (a) Prior to the issuance and sale of any tax or revenue anticipation note to other than a state fund or account, the state treasurer shall prepare a written plan of financing which shall be filed with the governor. The plan of financing shall provide for the terms and conditions under which the notes will be issued, sold, and delivered, the taxes or revenues to be anticipated, the maximum amount of notes which may be outstanding at any one time under the plan of financing, the sources of payment of the notes issued pursuant to the plan of financing, and all other details relating to the issuance, sale, and delivery of the notes. The sources of payment of the notes issued pursuant to the plan of financing may include the proceeds of sale of notes issued to refund outstanding tax or revenue anticipation notes and to pay accrued interest on them.

(b) The plan of financing shall specify the rates of interest, if any, on the notes or a method, formula, or index pursuant to which the interest rates on the notes may be determined during the time the notes are outstanding.

(c) The state treasurer may include in the plan of financing the terms and conditions of arrangements entered into by the state treasurer on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the tax anticipation notes, including payment from any legally available

source of fees, charges, or other amounts coming due under the agreements entered into by the treasurer.

(3) The interest, form, manner of execution, payment, manner of sale, prices at, above, or below face value, and all details of issuance of the notes shall be set forth in an order of the state treasurer. The order and the details set forth in the order shall conform with any applicable plan of financing and with this chapter.

(4) Each note shall recite that it is a valid obligation of the state and that the faith and credit of the state are pledged for the payment of the principal of and interest on the note from the revenues of the fiscal year in which the note is issued in accordance with its terms and the constitution and laws of Utah.

(5) Immediately upon the completion of any sale, the state treasurer shall make a verified return of the sale to the state auditor, specifying the amount of notes sold, the persons to whom the notes were sold, and the price, terms, and conditions of the sale. Immediately upon the sale of any notes, the state treasurer shall credit the proceeds of sale, other than accrued interest, to the General Fund.

Renumbered and Amended by Chapter 382, 2008 General Session

63J-6-203. Redemption account -- Creation -- Sources -- Use -- Investment -- Income.

(1) There is created a restricted account within the General Fund known as the "Tax and Revenue Anticipation Note Redemption Account." When any notes have been issued in anticipation of income or revenue under this chapter, not less than two days before the principal and interest on the notes comes due, income or revenue realized from the tax or nontax sources specified in the approved plan of financing to be anticipated or from any other source of money legally available for such purpose shall be placed in the restricted account so that the amount in the restricted account is sufficient to pay the principal amount of all notes outstanding, together with interest on them.

(2) The money in the restricted account is appropriated solely for the payment of the principal of and interest on the notes issued under this chapter. The payment of the principal and interest on the notes issued under this chapter is not limited solely to the income and revenues from the specific tax or nontax sources in anticipation of which the notes were issued. Accrued interest received upon the sale of the notes shall be deposited by the state treasurer in the restricted account.

(3) The state treasurer may invest all money in the restricted account in accordance with Title 51, Chapter 7, State Money Management Act, maturing at a time which will permit payment of the principal of and interest on the notes in a timely manner when due. The state treasurer may covenant with the purchasers of the notes as to the manner of holding money in the restricted account, the investment of money in the restricted account, and the disposition of any investment income therefrom by retaining investment income in the restricted account to be used to pay principal of and interest on notes when due or by paying the investment income to the state treasurer for deposit into the General Fund. If there is sufficient money in the restricted account to pay all principal of and interest on all outstanding notes payable therefrom, all

investment income on it shall be paid to the state treasurer for deposit into the General Fund.

Amended by Chapter 278, 2010 General Session

63J-6-204. Expenses of notes paid from proceeds.

All expenses incident to the issuance of tax and revenue anticipation notes under this chapter shall be paid from the proceeds of sale of the notes credited to the General Fund.

Renumbered and Amended by Chapter 382, 2008 General Session